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1 UNITED STATES PATENT AND TRADEMARK OFFICE

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4 BEFORE THE BOARD OF PATENT APPEALS
5 AND INTERFERENCES
6

7
8 *Ex parte* KENNETH G. MILLER,
9 JOHN G. DESMOND,
10 THOMAS J. FOTH,
11 MICHAEL P. SWENSON,
12 JOHN H. WINKELMAN, and
13 ANDREI OBREA
14

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16 Appeal 2009-006887
17 Application 10/721,640
18 Technology Center 3600
19

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21 Decided: May 12, 2010
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24 Before MURRIEL E. CRAWFORD, HUBERT C. LORIN, and
25 ANTON W. FETTING, *Administrative Patent Judges*.
26 FETTING, *Administrative Patent Judge*.

27 DECISION ON APPEAL
28

STATEMENT OF THE CASE

Kenneth G. Miller, John G. Desmond, Thomas J. Foth, Michael P. Swenson, John H. Winkelman, and Andrei Obrea (Appellants) seek review under 35 U.S.C. § 134 (2002) of a final rejection of claims 1-29, the only claims pending in the application on appeal.

We have jurisdiction over the appeal pursuant to 35 U.S.C. § 6(b) (2002).

SUMMARY OF DECISION¹

We AFFIRM.

THE INVENTION

The Appellants invented an early bill payment process for the electronic payment of bills that are in a physical mail stream (Specification ¶ 001).

An understanding of the invention can be derived from a reading of exemplary claim 1, 5, 11, 14, 15, 19, 21, 24, and 28, which are reproduced below [bracketed matter and some paragraphing added].

1. A method for enabling a bill recipient to pay their bill to a creditor, the method comprising the steps of:

(a) giving one or more bills in the form of one or more mail pieces to a bill recipient;

¹ Our decision will make reference to the Appellants' Appeal Brief ("App. Br.," filed March 28, 2008) and the Examiner's Answer ("Ans.," mailed June 13, 2008), and Final Rejection ("Final Rej.," mailed November 15, 2007).

- 1 (b) placing a code by a creditor on one or more bills that
- 2 references the bill recipient, the bill recipient's account number
- 3 and amount due on a face of the mail piece;
- 4 (c) mailing the bill by the bill recipient;
- 5 (d) scanning by the post the code on the mail piece before the
- 6 mail piece is delivered to the creditor;
- 7 (e) creating an electronic funds transaction for the amount
- 8 indicated in the code between the bill recipient's bank account
- 9 and the creditor's bank account; and
- 10 (f) transferring funds from the bill recipient's bank account to
- 11 the creditor's bank account.

12

- 13 5. The method claimed in claim 1, further including the step of:
- 14 indicating on the mail piece after funds have been transferred to
- 15 the creditor's bank account from the bill recipient's bank
- 16 account that the bill has been paid.

17

- 18 11. The method claimed in claim 1, wherein the code placed by
- 19 the creditor indicates the minimum amount that is due.

20

- 21 14. The method claimed in claim 13, further including the step
- 22 of:

23 placing an indication on the bill by the bill recipient that

24 indicates the amount greater than the minimum amount that is

25 due is going to be paid.

26

- 27 15. A method for a carrier to initiate payment of a bill by a bill
- 28 recipient to a creditor, the method comprising the steps of:

29 (a) delivering a billing mail piece from a creditor to a bill

30 recipient, the billing mail piece including a bill and a bill-

31 paying return mail piece;

32 (b) receiving the bill-paying return mail piece mailed by the bill

33 recipient, the bill-paying return mail piece having a code

1 printed thereon that identifies at least one of the bill recipient
2 and the bill recipient's account number and an amount due on
3 the face of the mail piece;
4 (c) scanning the code on the bill-paying return mail piece before
5 the mail piece is delivered to the creditor; and
6 (d) initiating an electronic funds transaction for the amount
7 indicated in the code from the bill recipient's bank account to
8 the creditor's bank account.

9

10 19. The method claimed in claim 15, wherein step (d)
11 comprises: indicating on the bill-paying return mail piece after
12 funds have been transferred to the creditor's bank account from
13 the bill recipient's bank account that the bill has been paid.

14

15 21. The method claimed in claim 15, wherein the code
16 references a record in a data base that contains the bill
17 recipient's bank account, amount due, the account being paid,
18 and the second code represents the physical location of the bill
19 recipient.

20

21 24. The method claimed in claim 15, wherein the code indicates
22 that an electronic funds transaction will take place.

23

24 28. The method claimed in claim 27, further including the step
25 of:

26 placing an indication on the bill by the bill recipient that
27 indicates the amount greater than the minimum amount that is
28 due is going to be paid.

29

30

THE REJECTIONS

31 The Examiner relies upon the following prior art:

Delfer, III et al. US 5,496,991 Mar. 5, 1996

Pintsov US 5,586,036 Dec. 17, 1996

Claims 1-29 stand rejected under 35 U.S.C. § 103(a) as unpatentable
over Delfer and Pintsov.

ISSUES

The issue of whether the Examiner erred in rejecting claims 1-29 under
35 U.S.C. § 103(a) as unpatentable over Delfer and Pintsov turns on whether
the Appellants have provided a rationale that distinguishes the prior art from
the claimed invention.

FACTS PERTINENT TO THE ISSUES

The following enumerated Findings of Fact (FF) are believed to be
supported by a preponderance of the evidence.

Facts Related to the Prior Art

Delfer

01. Delfer is directed to a system and method for automated
remittance of payments from consumers to vendors (Delfer 1:13-
15). Delfer is concerned with the ineffective billing processes
between vendors and consumers (Delfer 1:21-25).

02. Delfer describes a remittance system that utilizes approval
cards, which signify a consumer's pre-authorization for a billing
service provider to electronically transfer funds from the

consumer's account to appropriate vendors' accounts (Delfer 4:1-14). Consumer payment transaction data base files are generated for the transfer and contain unique consumer identification information include the consumer's bank and vendor's bank (Delfer 4:15-29).

03. The bill remittance system has two standard forms: one form is a standard statement for debits and credits and any messages, advertisements, or similar information, and the second form is a remittance document or a consumer pre-authorized funds transfer document (Delfer 4:50-60). The remittance document is either a form returnable within a windowed envelope provided in the original bill mailer or it is returned directly if it is supplied to the consumer in the form of a postcard (Delfer 4:66-67 and 5:1-3). Once the bills are prepared, they are mailed to the consumers for action (Delfer 5:52-56). The remittance document's indicium is scanned for verification against the unique current billing indicium in the consumer payment transaction data base files to establish the authenticity of the remittance documents (Delfer 5:63-67). The electronic funds transfer transactions are initiated by transmitting the transaction information (Delfer 6:31-32). The host depository enters the national EFT (Electronic Funds Transfer) or similar network and activates the ACH (Automatic Cash Handling) or equivalent system for each consumer and vendor, thereby transferring the desired funds (Delfer 6:42-49).

Pintsov

04. Pintsov is directed to a postage payment system for delivery of mail and parcels where the charges for the delivery and/or any special services are invoiced to the mailer by a carrier such as a postal service or private delivery service (Pintsov 1:8-12).

05. Pintsov describes a method where a bill is received in either hard copy or electronically (Pintsov 8:25-28). If the bill is received in hard copy, the bill is scanned (Pintsov 8:28-30). The billing data is then encrypted and verified (Pintsov 8:33-35). After verification, payment by the mailer may be done by electronic funds transfer (Pintsov 8:39-40).

06. Pintsov also describes that a mail piece is imprinted with several data blocks that are reserved to store several pieces of information, including a block indicating the destination of the mail piece (Pintsov 6:32:58). Error detection codes are computed to be printed on the mail piece to provide additional levels of redundancy for automatic scanning and processing of mail to verify the entry and printing of consistent data by the mailer (Pintsov 8:11-24).

Facts Related To The Level Of Skill In The Art

07. Neither the Examiner nor the Appellants have addressed the level of ordinary skill in the pertinent art of electronic mail handling systems. We will therefore consider the cited prior art as representative of the level of ordinary skill in the art. *See Okajima v. Bourdeau*, 261 F.3d 1350, 1355 (Fed. Cir. 2001) (“[T]he absence of specific findings on the level of skill in the art does not

give rise to reversible error ‘where the prior art itself reflects an appropriate level and a need for testimony is not shown’”) (quoting *Litton Indus. Prods., Inc. v. Solid State Sys. Corp.*, 755 F.2d 158, 163 (Fed. Cir. 1985).

Facts Related To Secondary Considerations

08. There is no evidence on record of secondary considerations of non-obviousness for our consideration.

PRINCIPLES OF LAW

Obviousness

A claimed invention is unpatentable if the differences between it and the prior art are “such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art.” *KSR Int’l Co. v. Teleflex Inc.*, 550 U.S. 398, 406 (2007); *Graham v. John Deere Co.*, 383 U.S. 1, 13-14 (1966).

In *Graham*, the Court held that that the obviousness analysis is bottomed on several basic factual inquiries: “[1]) the scope and content of the prior art are to be determined; [(2)] differences between the prior art and the claims at issue are to be ascertained; and [(3)] the level of ordinary skill in the pertinent art resolved.” *Graham*, 383 U.S. at 17. *See also KSR*, 550 U.S. at 406. “The combination of familiar elements according to known methods is likely to be obvious when it does no more than yield predictable results.” *KSR*, 550 U.S. at 416.

ANALYSIS

*Claims 1-29 rejected under 35 U.S.C. § 103(a) as unpatentable over
Delfer and Pintsov*

The Appellants first contend that (1) Delfer and Pintsov fail to describe limitations (d), (e), and (f) of claims 1 (App. Br. 14 and 16). We disagree with the Appellants. Limitation (d) requires scanning a code on the mail piece. Limitation (e) requires creating an electronic funds transfer for the amount indicated in the code, where the electronic transfer is between the bill recipient's bank account and the creditor's bank account. Limitation (f) further requires the actual transferring of funds.

First, the Examiner has not relied on Delfer to describe limitation (d) and has not relied on Pintsov to describe limitations (e) and (f). Therefore these arguments are not found persuasive because the Appellants are attacking the references separately, even though the rejection is based on the combined teachings of the references. Nonobviousness cannot be established by attacking the references individually when the rejection is predicated upon a combination of prior art disclosures. *See In re Merck & Co. Inc.*, 800 F.2d 1091, 1097, 231 USPQ 375, 380 (Fed. Cir. 1986).

Delfer describes a system that provides consumers with pre-approval cards (FF 02). The pre-approval cards set up the authorization for an electronic funds transfer (FF 02). Consumer payment transaction data base files are generated for the electronic funds transfer and contain unique information for consumer's banks and vendor's banks to complete the funds transfer (FF 02). Once verification of the indicium or code on a bill remittance is completed, funds an electronic funds transfer occurs (FF 02-

03). As such, Delfer describes the steps of creating an electronic funds transaction and transferring funds as required by limitations (e) and (f) respectively. Delfer further describes printing barcode information on to the mail piece that contains the billing information and scanning the mail piece (FF 03). This suggests that the mail piece includes a bar code that is capable of being scanned by whatever the party the post happens to be² prior to being received by the creditor.

Pintsov describes scanning the mail piece if it is received in hard copy (FF 05-06). Pintsov also describes several data blocks are imprinted on a mail piece (FF 05-06). Furthermore, each mail piece is scanned and processed for data consistency (FF 05-06). This is done prior to receipt by the creditor. As such, Pintsov describes limitation (d) of claim 1.

Therefore, the prior art describes the claimed invention. The Appellants have only broadly contended that the prior art fails to describe limitations (d), (e), and (f) (App. Br. 14) and have failed to provide any further rationale as to how the claimed invention is distinguished from the prior art. As such, we do not find the Appellants' conclusory arguments persuasive.

The Appellants also contend that (2) a person with ordinary skill in the art would not have been led to combine the references and the reasonable expectation of success must stem from the prior art itself (App. Br. 15). We disagree with the Appellants. Delfer is concerned with ineffective billing processes between consumers and vendors (FF 01). Delfer solves this problem by describing a remittance system that utilizes pre-approval cards

² It is unclear what party "the post" recited in the claims is meant to be. This term is not used in the Specification. As such, we take the term to refer to

1 that facilitate the transfer of funds between consumers and vendors. Pintsov
2 is also concerned with billing, specifically postage payments, and solves this
3 problem by describing a postage payment system that uses data blocks to
4 rapidly imprint and processing mail pieces, including the processing of
5 delivery charges for the mail pieces (FF 05-06). Both Delfer and Pintsov are
6 concerned with the electronic transfer of funds between consumers and
7 vendors and are therefore in the same field of endeavor. A person having
8 ordinary skill in the art would have recognized the benefit increasing the
9 efficiency of data verification and validation by imprinting data blocks on a
10 mail piece. That is, a person having ordinary skill in the art would have
11 recognized the benefit of imprinting data blocks that can be scanned on the
12 remittance mail pieces sent to vendors and consumers. As such, a person
13 having ordinary skill in the art would have been lead to combine Delfer and
14 Pintsov with a reasonable expectation of success. The Appellants fail to
15 provide any further rationale as to why a person with ordinary skill in the art
16 would not have been motivated to combine the prior art. As such, the
17 Appellants' broad argument is not found persuasive.

18 With respect to the Appellants argument that the reasonable expectation
19 of success must stem from the prior art, we also disagree. A discussed
20 *supra*, a person having ordinary skill in the art would have understood the
21 benefits of combining the prior art and would have take the creative steps to
22 do so to gain these known advantages. "[T]he analysis need not seek out
23 precise teachings directed to the specific subject matter of the challenged

whoever performs the scanning of the code on the mailpiece.

claim, for a court can take account of the inferences and creative steps that a person of ordinary skill in the art would employ”. *KSR*, 550 U.S. at 418.

The Appellants additionally contend that (6) Delfer and Pintsov fail to describe limitations (a), (c), and (d) of claim 15 (App. Br. 16). The Appellants specifically contend that Delfer and Pintsov fail to describe limitation (a). We disagree with the Appellants. Limitation (a) requires delivering a billing mail piece from a creditor to a bill recipient, where the billing mail piece includes a bill and a bill-paying return mail piece. Delfer explicitly describes delivering a bill to a bill recipient (FF 02-03). The bill has two forms: credits and debits form and a remittance form (FF 03). The remittance document can be a form returnable within a windowed envelope provided in the original bill mailer (FF 03). As such, Delfer explicitly describes that consumers bill recipients can pay their bills via a carrier using a returnable envelope as required by limitation (a). Again, the Appellants have not provided any further rationale as to how the claimed invention is distinguished from the prior art and therefore the Appellants’ arguments are not found persuasive. Limitation (c) is broader than limitation (e) of claim 1 since it does not limit that the scan must be performed by the post. Limitation (d) is the same as limitation (f) of claim 1. Appellants’ argument that Delfer and Pintsov fail to describe these limitations is not persuasive for the same reasons discussed *supra* since limitations (c) and (d) are the same or broader than limitations (e) and (f) of claim 1.

The Appellants also contend that (8) Delfer and Pintsov fail to describe indicating the physical location of the bill recipient on a second code, as per claim 21 (App. Br. 17). We disagree with the Appellants. Delfer describes that after bills are prepared they are mailed to the bill recipients (FF 03). In

1 order for a bill to be mailed to a recipient, there must be an indication of the
2 physical location of the recipient coded on to the mail piece. Additionally,
3 Pintsov explicitly describes several data blocks imprinted on a mail piece,
4 where specifically block 102 of Fig. 1 is the physical location of the mail
5 recipient (FF 06). As such, Delfer and Pintsov describe the limitations of
6 claim 21. The Appellants have not provided any further rationale as to how
7 the claimed invention is distinguished from the prior art and therefore the
8 Appellants' argument is not found persuasive.

9 The Appellants further contend that (3) Delfer and Pintsov fail to
10 describe indicating on a mail piece that funds have been transferred to the
11 creditor's bank account indicating that the bill has been paid and delivering
12 the mail piece to the recipient, as per claims 5 and 6 respectively (App. Br.
13 15), (4) Delfer and Pintsov fail to describe the placing of codes on the face
14 of a mail piece that indicates the amounts that are due, as per claims 11-13
15 (App. Br. 15), (5) Delfer and Pintsov fail to describe placing an indication
16 on the bill by the bill recipient that indicates the amount greater than the
17 minimum amount that is due is going to be paid, as per claim 14 (App. Br.
18 16), (7) Delfer and Pintsov fail to describe indicating on the face of a
19 returned mail piece that the bill has been paid, as per claims 19 and 20 (App.
20 Br. 17), (9) Delfer and Pintsov fail to describe the placing of codes for when
21 the electronic funds transaction will take place, the minimum amount due,
22 the entire amount due, and an amount greater than the minimum amount is
23 due on the face of a mail piece, as per claims 24-27 (App. Br. 17), and (10)
24 Delfer and Pintsov fail to describe an indication on the bill by the bill
25 recipient that indicates the amount greater than the minimum amount that is
26 due is going to be paid, as per claim 28 (App. Br. 18). The Examiner

1 responds that Delfer describes indicating an amount due on the face of a
2 mail piece, which is the same as describing any amount required including a
3 minimum amount, a total amount, and an amount greater than a minimum
4 amount (Ans. 7). We disagree with the Appellants. Claims 5-6, 11-13, 14,
5 19-20, 24-27, and 28, as argued by the Appellants, require imprinting on the
6 mail piece an indication of code that represents the status of the bill and
7 transfer of funds. As discussed *supra*, Delfer describes indicating an amount
8 owed in the code on the face of the mail piece (FF 02-03). This amount
9 owed can be any value, including the minimum amount, a total amount, and
10 an amount greater than the minimum. Delfer also describes that the bill
11 includes the balances of debits and credits, which indicates whether a bill
12 has been paid (FF 02-03). The Appellants have not provided any further
13 rationale as to how the claimed invention is distinguished from these
14 findings of the Examiner. As such, the Appellants' argument is not found
15 persuasive.

16 The Examiner did not err in rejecting claims 1-29 under 35 U.S.C.
17 § 103(a) as unpatentable over Delfer and Pintsov.

18 19 CONCLUSIONS OF LAW

20 The Examiner did not err in rejecting claims 1-29 under 35 U.S.C.
21 § 103(a) as unpatentable over Delfer and Pintsov.

22 23 DECISION

24 To summarize, our decision is as follows.

- The rejection of claims 1-29 under 35 U.S.C. § 103(a) as unpatentable over Delfer and Pintsov is sustained.

No time period for taking any subsequent action in connection with this appeal may be extended under 37 C.F.R. § 1.136(a)(1)(iv).

AFFIRMED

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